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SUMMARY RECORD OF THE 61st MEETING

Chairman: Mr. VILCHEZ ASHER (Nicaragua)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 3.25 p.m.

AGENDA ITEM 116: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued)

Commitments in respect of new mandates (A/C.5/50/67)

1. Mr. CONNOR (Under-Secretary-General for Administration and Management), introducing the report of the Secretary-General on commitments in respect of new mandates to be carried out in Haiti, Guatemala, El Salvador and Rwanda (A/C.5/50/67), noted that while resources for those mandates had not been provided for in the 1996-1997 programme budget, the Secretary-General had been authorized to enter into commitments aggregating $24.7 million. In the case of Haiti, Guatemala and El Salvador, the General Assembly mandate required implementation from within existing resources.

2. The Secretary-General's report on possible means of absorption of the cost of the four mandates reflected the context of a potential overall cost of $51 million in 1996 and $69 million in 1997 for approved and prospective new mandates over the biennium, as well as his earlier efforts to reduce the budget by $98 million and current efforts to submit a revised programme budget with reductions of a further $154 million, so as to achieve an appropriation level of $2.608 billion.

3. At present reductions of $140 million appeared feasible, and the Secretary-General believed he would be able to respond positively to the full mandated reductions at the fifty-first session while carrying out all mandated activities. A key element in that regard were the efforts to promote efficiencies throughout the Organization, which were having a positive impact on cost structures while preserving the core values of mandated activities. Nevertheless, absorption of additional costs could not be achieved while implementing the full programme of work as initially envisaged. The Secretary-General, in continuing his efforts to promote efficiencies beyond those necessary to achieve an appropriation level of $2.608 billion, would require the continuing support of Member States.

4. While the Secretary-General intended to submit, with his first performance report, expenditures deriving from commitment authorities estimated at $51 million in 1996, he was aware of other relevant factors, the first being quantification of the potential absorption capacity that might be generated over the biennium by additional efficiency efforts subsequent to those currently planned. The freeing up of resources through the termination of mandates made it possible to accommodate new mandates within existing resources, thus responding to the requests by Member States for absorption. A second relevant factor would arise from the requirement to recost, in December 1996, the 1996-1997 budget to reflect currency fluctuations. Significant movements had occurred in certain currencies which, if maintained, would have a positive absorption effect.

5. Consistent with the provisions of General Assembly resolution 50/214, the Secretary-General was committed to the full implementation of all mandated activities, as reflected in the programme budget for 1996-1997 approved by the General Assembly within the appropriation of $2.608 billion.

Progress report on the implementation of the programme budget for the biennium 1996-1997 (A/50/7/Add.16; A/C.5/50/57)

6. Mr. MANCINI (Italy), speaking on behalf of the European Union, noted the Secretary-General's view that an overall reduction of approximately $140 million appeared feasible. The European Union appreciated the involvement of programme managers in achieving cost reductions and conducting efficiency reviews, and trusted that the Secretary-General would take an integrated approach, and that he would report, at the fifty-first session, on the impact of approved savings and other possible measures.

7. The European Union agreed with the Advisory Committee that the impact of the proposed savings on programme delivery was not clear, and was concerned about the programmatic impact of reductions on mandated activities. He noted the Secretary-General's statement that delays and deferrals seemed unavoidable. The European Union attached great importance to full implementation of mandated activities and the fair, equitable and non-selective treatment of all budget sections, in accordance with General Assembly resolution 50/214. In that regard he asked what criteria had been retained by the Secretary-General for the distribution of savings proposals among different budget sections.

8. The European Union also noted the Advisory Committee's comment that if the paramount goal was to achieve cost reductions, a review of programmes must begin so as to avoid a general deterioration in the quality of virtually everything the United Nations did and to allow priority activities to be carried out.

9. The upcoming session of the Committee for Programme and Coordination and the fifty-first session of the General Assembly would provide opportunities to prioritize activities by reviewing mandates and programmes. In the meantime the medium-term plan and its priorities remained applicable.

10. He would welcome an indication from the Secretariat of how the current number of Professional vacancies would be reduced so as to achieve the planned end-1997 target of 331 Professional post vacancies.

11. He noted that cross-cutting reviews were still at an early stage and recalled that resolution 50/214 specifically identified areas in which to achieve savings, including productivity gains through technological innovations, management of documents and publications, simplification of financial administration, control of expenditure on travel and consultants, and review of personnel administration. He trusted that those potentials would be explored without delay.

12. Achieving long-term efficiency gains required timely investment, for example, in telecommunications and information systems, where delays in the implementation of new technologies were less cost-effective in the long run. In

that context he appreciated the efforts to introduce technological innovations in the field of administration.

13. The European Union appreciated the Secretariat's efforts to identify savings, but not all the proposals before the Committee were the prerogative of the Secretary-General. Pending a more detailed report at the fifty-first session, the European Union could concur with the Secretary-General's savings plan, subject to its earlier comments and bearing in mind the Advisory Committee's observations, and would like to see savings achieved as soon as possible. Absorption and funding issues could be addressed further in the context of the first performance report, to be submitted at the end of the year as part of the usual budgetary process as set out in General Assembly resolution 41/213, to which the European Union attached the greatest importance.

14. Mr. ATIYANTO (Indonesia) said that his delegation endorsed the statement by the representative of Costa Rica on behalf of the Group of 77 and China. With respect to the indication that reductions in the programme budget could not be achieved without service reductions and delays and the postponement of programmes, his delegation took the view that any changes in mandated programmes and activities were the prerogative of the General Assembly, and their full implementation, especially with regard to international and regional cooperation for development, should not be affected. He agreed with the Advisory Committee that it was for Member States to decide on the extent to which General Assembly resolutions 50/214 and 50/215 could be implemented. It was regrettable that the Secretary-General had failed to provide a clear picture of how short-term efficiencies could be achieved without affecting programmes and activities.

15. With regard to staffing, efforts must be made to ensure that all Member States, particularly unrepresented and underrepresented countries, were adequately represented. The current national competitive examination should continue to be used. The Secretariat should provide information regarding the number of staff to be separated, together with a breakdown of that figure. A complete analysis of the proposed buy-out programme should also be made available.

16. Mr. AMARI (Tunisia) said that his delegation endorsed the statement by Costa Rica on behalf of the Group of 77 and China, as well as the points made by the representative of Japan. The report before the Committee did not represent a full response to General Assembly resolution 50/214, and further consideration was needed on the basis of a more detailed report at the fifty-first session. Given the Organization's critical role as the only universal body dealing with such questions as peace and security and economic development, budget reductions should not be seen as an end in themselves, but, rather, as a means of streamlining the Organization so that it could meet the growing expectations of the international community as efficiently as possible.

17. Mr. ODAGA-JALOMAYO (Uganda) said that the Secretariat staff must contribute to resolving the financial crisis. They must recognize that Member States were their employers and should be prepared to make sacrifices. In that regard, he asked whether Secretariat officials were still receiving representation allowances and, if so, what the cost was.

The meeting rose at 4 p.m.